



Rep. Angelo Saviano

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1 AMENDMENT TO SENATE BILL 2520

2 AMENDMENT NO. _____. Amend Senate Bill 2520, AS AMENDED,
3 with reference to page and line numbers of House Amendment No.
4 1, on page 1, line 5, by replacing "4-109.3," with "4-107,
5 4-108, 4-109.3, 4-118,"; and

6 on page 3, immediately below line 12, by inserting the
7 following:

8 "(40 ILCS 5/4-107) (from Ch. 108 1/2, par. 4-107)

9 Sec. 4-107. Qualifications.

10 (a) A firefighter who has not contributed to the fund
11 during the entire period of service, to be entitled to the
12 benefits of this Article, must contribute to the fund the
13 amount he or she would have paid had deductions been made from
14 his or her salary during the entire period of his or her
15 creditable service.

16 (b) Any person appointed as a firefighter in a municipality

1 shall, within 3 months after receiving his or her first
2 appointment and within 3 months after any reappointment make
3 written application to the board to come under the provisions
4 of this Article.

5 (c) A person otherwise qualified to participate who was
6 excluded from participation by reason of the age or fitness
7 requirements removed by this amendatory Act of 1995 may elect
8 to participate by making a written application to the Board
9 before July 1, 1996. Persons so electing shall begin
10 participation on the first day of the month following the month
11 in which the application is received by the Board. These
12 persons may also elect to establish creditable service for
13 periods of employment as a firefighter during which they did
14 not participate by paying into the pension fund, before January
15 1, 1997, the amount that the person would have contributed had
16 deductions from salary been made for this purpose at the time
17 the service was rendered, together with interest thereon at 6%
18 per annum, compounded annually, from the time the service was
19 rendered until the date of payment.

20 (d) A person described in subsection (h) of Section 15-107
21 shall not participate in any pension fund established under
22 this Article with respect to employment for which he or she is
23 a participating employee in the State Universities Retirement
24 System.

25 (e) A person qualified to participate in a pension fund
26 established pursuant to this Article who was mandatorily

1 retired at age 65 pursuant to applicable law without having
2 obtained 20 years of creditable service and who applies in
3 writing to the fund within 6 months after the effective date of
4 this amendatory Act of the 95th General Assembly may establish
5 up to 5 years of creditable service for periods of employment
6 under this Article for which creditable service is not
7 otherwise established by contributing into the pension fund the
8 amount that the firefighter would have contributed had
9 deductions from salary been made for this purpose. The amount
10 contributed by the firefighter shall also include interest
11 thereon at the actuarially assumed rate, compounded annually,
12 from the time the service was rendered until the date of
13 payment.

14 A firefighter electing to establish creditable service
15 pursuant to this subsection (e) shall receive an adjustment to
16 his or her monthly pension pursuant to Section 4-109.

17 (Source: P.A. 89-52, eff. 6-30-95; 90-576, eff. 3-31-98.)

18 (40 ILCS 5/4-108) (from Ch. 108 1/2, par. 4-108)

19 Sec. 4-108. Creditable service.

20 (a) Creditable service is the time served as a firefighter
21 of a municipality. In computing creditable service, furloughs
22 and leaves of absence without pay exceeding 30 days in any one
23 year shall not be counted, but leaves of absence for illness or
24 accident regardless of length, and periods of disability for
25 which a firefighter received no disability pension payments

1 under this Article, shall be counted.

2 (b) Furloughs and leaves of absence of 30 days or less in
3 any one year may be counted as creditable service, if the
4 firefighter makes the contribution to the fund that would have
5 been required had he or she not been on furlough or leave of
6 absence. To qualify for this creditable service, the
7 firefighter must pay the required contributions to the fund not
8 more than 90 days subsequent to the termination of the furlough
9 or leave of absence, to the extent that the municipality has
10 not made such contribution on his or her behalf.

11 (c) Creditable service includes:

12 (1) Service in the military, naval or air forces of the
13 United States entered upon when the person was an active
14 firefighter, provided that, upon applying for a permanent
15 pension, and in accordance with the rules of the board the
16 firefighter pays into the fund the amount that would have
17 been contributed had he or she been a regular contributor
18 during such period of service, if and to the extent that
19 the municipality which the firefighter served made no such
20 contributions in his or her behalf. The total amount of
21 such creditable service shall not exceed 5 years, except
22 that any firefighter who on July 1, 1973 had more than 5
23 years of such creditable service shall receive the total
24 amount thereof as of that date.

25 (1.5) Up to 24 months of service in the military,
26 naval, or air forces of the United States that was served

1 prior to employment by a municipality or fire protection
2 district as a firefighter. To receive the credit for the
3 military service prior to the employment as a firefighter,
4 the firefighter must apply in writing to the fund within 6
5 months after the effective date of this amendatory Act of
6 the 95th General Assembly and must make contributions to
7 the fund equal to (i) the employee contributions that would
8 have been required had the service been rendered as a
9 member, plus (ii) an amount determined by the fund to be
10 equal to the employer's normal cost of the benefits accrued
11 for that military service, plus (iii) interest at the
12 actuarially assumed rate, compounded annually, from the
13 first date of membership in the fund to the date of payment
14 on items (i) and (ii). The changes to this paragraph (1.5)
15 by this amendatory Act of the 95th General Assembly apply
16 only to participating employees in service on or after its
17 effective date.

18 (2) Service prior to July 1, 1976 by a firefighter
19 initially excluded from participation by reason of age who
20 elected to participate and paid the required contributions
21 for such service.

22 (3) Up to 8 years of service by a firefighter as an
23 officer in a statewide firefighters' association when he is
24 on a leave of absence from a municipality's payroll,
25 provided that (i) the firefighter has at least 10 years of
26 creditable service as an active firefighter, (ii) the

1 firefighter contributes to the fund the amount that he
2 would have contributed had he remained an active member of
3 the fund, and (iii) the employee or statewide firefighter
4 association contributes to the fund an amount equal to the
5 employer's required contribution as determined by the
6 board.

7 (4) Time spent as an on-call fireman for a
8 municipality, calculated at the rate of one year of
9 creditable service for each 5 years of time spent as an
10 on-call fireman, provided that (i) the firefighter has at
11 least 18 years of creditable service as an active
12 firefighter, (ii) the firefighter spent at least 14 years
13 as an on-call firefighter for the municipality, (iii) the
14 firefighter applies for such creditable service within 30
15 days after the effective date of this amendatory Act of
16 1989, (iv) the firefighter contributes to the Fund an
17 amount representing employee contributions for the number
18 of years of creditable service granted under this
19 subdivision (4), based on the salary and contribution rate
20 in effect for the firefighter at the date of entry into the
21 Fund, to be determined by the board, and (v) not more than
22 3 years of creditable service may be granted under this
23 subdivision (4).

24 Except as provided in Section 4-108.5, creditable
25 service shall not include time spent as a volunteer
26 firefighter, whether or not any compensation was received

1 therefor. The change made in this Section by Public Act
2 83-0463 is intended to be a restatement and clarification
3 of existing law, and does not imply that creditable service
4 was previously allowed under this Article for time spent as
5 a volunteer firefighter.

6 (5) Time served between July 1, 1976 and July 1, 1988
7 in the position of protective inspection officer or
8 administrative assistant for fire services, for a
9 municipality with a population under 10,000 that is located
10 in a county with a population over 3,000,000 and that
11 maintains a firefighters' pension fund under this Article,
12 if the position included firefighting duties,
13 notwithstanding that the person may not have held an
14 appointment as a firefighter, provided that application is
15 made to the pension fund within 30 days after the effective
16 date of this amendatory Act of 1991, and the corresponding
17 contributions are paid for the number of years of service
18 granted, based upon the salary and contribution rate in
19 effect for the firefighter at the date of entry into the
20 pension fund, as determined by the Board.

21 (6) Service before becoming a participant by a
22 firefighter initially excluded from participation by
23 reason of age who becomes a participant under the amendment
24 to Section 4-107 made by this amendatory Act of 1993 and
25 pays the required contributions for such service.

26 (7) Up to 3 years of time during which the firefighter

1 receives a disability pension under Section 4-110,
2 4-110.1, or 4-111, provided that (i) the firefighter
3 returns to active service after the disability for a period
4 at least equal to the period for which credit is to be
5 established and (ii) the firefighter makes contributions
6 to the fund based on the rates specified in Section 4-118.1
7 and the salary upon which the disability pension is based.
8 These contributions may be paid at any time prior to the
9 commencement of a retirement pension. The firefighter may,
10 but need not, elect to have the contributions deducted from
11 the disability pension or to pay them in installments on a
12 schedule approved by the board. If not deducted from the
13 disability pension, the contributions shall include
14 interest at the rate of 6% per year, compounded annually,
15 from the date for which service credit is being established
16 to the date of payment. If contributions are paid under
17 this subdivision (c)(7) in excess of those needed to
18 establish the credit, the excess shall be refunded. This
19 subdivision (c)(7) applies to persons receiving a
20 disability pension under Section 4-110, 4-110.1, or 4-111
21 on the effective date of this amendatory Act of the 91st
22 General Assembly, as well as persons who begin to receive
23 such a disability pension after that date.

24 (Source: P.A. 94-856, eff. 6-15-06.)"; and

25 on page 10, immediately below line 16, by inserting the

1 following:

2 "(40 ILCS 5/4-118) (from Ch. 108 1/2, par. 4-118)

3 Sec. 4-118. Financing.

4 (a) The city council or the board of trustees of the
5 municipality shall annually levy a tax upon all the taxable
6 property of the municipality at the rate on the dollar which
7 will produce an amount which, when added to the deductions from
8 the salaries or wages of firefighters and revenues available
9 from other sources, will equal a sum sufficient to meet the
10 annual actuarial requirements of the pension fund, as
11 determined by an enrolled actuary employed by the Illinois
12 Department of Insurance or by an enrolled actuary retained by
13 the pension fund or municipality. For the purposes of this
14 Section, the annual actuarial requirements of the pension fund
15 are equal to (1) the normal cost of the pension fund, or 17.5%
16 of the salaries and wages to be paid to firefighters for the
17 year involved, whichever is greater, plus (2) the annual amount
18 necessary to amortize the fund's unfunded accrued liabilities
19 over a period of 40 years from July 1, 1993, as annually
20 updated and determined by an enrolled actuary employed by the
21 Illinois Department of Insurance or by an enrolled actuary
22 retained by the pension fund or the municipality. The amount to
23 be applied towards the amortization of the unfunded accrued
24 liability in any year shall not be less than the annual amount
25 required to amortize the unfunded accrued liability, including

1 interest, as a level percentage of payroll over the number of
2 years remaining in the 40 year amortization period.

3 (b) The tax shall be levied and collected in the same
4 manner as the general taxes of the municipality, and shall be
5 in addition to all other taxes now or hereafter authorized to
6 be levied upon all property within the municipality, and in
7 addition to the amount authorized to be levied for general
8 purposes, under Section 8-3-1 of the Illinois Municipal Code or
9 under Section 14 of the Fire Protection District Act. The tax
10 shall be forwarded directly to the treasurer of the board
11 within 30 business days of receipt by the county (or, in the
12 case of amounts added to the tax levy under subsection (f),
13 used by the municipality to pay the employer contributions
14 required under subsection (b-1) of Section 15-155 of this
15 Code).

16 (c) The board shall make available to the membership and
17 the general public for inspection and copying at reasonable
18 times the most recent Actuarial Valuation Balance Sheet and Tax
19 Levy Requirement issued to the fund by the Department of
20 Insurance.

21 (d) The firefighters' pension fund shall consist of the
22 following moneys which shall be set apart by the treasurer of
23 the municipality: (1) all moneys derived from the taxes levied
24 hereunder; (2) contributions by firefighters as provided under
25 Section 4-118.1; (3) all rewards in money, fees, gifts, and
26 emoluments that may be paid or given for or on account of

1 extraordinary service by the fire department or any member
2 thereof, except when allowed to be retained by competitive
3 awards; and (4) any money, real estate or personal property
4 received by the board.

5 (e) For the purposes of this Section, "enrolled actuary"
6 means an actuary: (1) who is a member of the Society of
7 Actuaries or the American Academy of Actuaries; and (2) who is
8 enrolled under Subtitle C of Title III of the Employee
9 Retirement Income Security Act of 1974, or who has been engaged
10 in providing actuarial services to one or more public
11 retirement systems for a period of at least 3 years as of July
12 1, 1983.

13 (f) The corporate authorities of a municipality that
14 employs a person who is described in subdivision (d) of Section
15 4-106 may add to the tax levy otherwise provided for in this
16 Section an amount equal to the projected cost of the employer
17 contributions required to be paid by the municipality to the
18 State Universities Retirement System under subsection (b-1) of
19 Section 15-155 of this Code.

20 (g) The corporate authorities of a municipality that has
21 mandatorily retired a firefighter at age 65 may add to the tax
22 levy otherwise provided for in this Section an amount equal to
23 the projected cost of the employer contributions for a
24 firefighter electing to establish creditable service pursuant
25 to subsection (e) of Section 4-107.

26 (Source: P.A. 94-859, eff. 6-15-06.)"